

Date: September 13, 2017

Staff Present: Rita Kurelja, Ginger Tackman, and Naomi Hawf

Members Present: Phil Frank, Eric Blackhurst, Bill Pinkham, Julie Abel and Pete Smith

Guests Present: Jeff Feneis LHA, Scott Pope YMCA, Courtney Hill YMCA

1. Call to Order: Eric Blackhurst called the Estes Park Housing Authority Board of Commissioners meeting to order at 8:30AM in Room 203 of The Town Hall in Estes Park, Colorado.
  2. Public Comments: None
  3. Reading and Approval of Meeting Minutes for July 12, 2017. **Minutes stand approved as submitted.**
  4. Financials: 2<sup>nd</sup> Quarter Rita Kurelja:
    - Highlights YTD through June.
      - Received \$20,000.00 of the Town of Estes Park's \$40,000.00 contribution
      - Received \$390,000.00 in Developer Fees for Falcon Ridge.
      - Received \$9,000.00 in Other Income due to interest earned on the Sales Tax from the State
      - Cleave Street income is under budget due to vacancies; 4 were budgeted only 1 actual. Maintenance is under budget.
      - Talons Pointe income is within budget. Net income is slightly under budget due to refinance costs. The refinance with the Bank of Colorado provided a \$20,000.00 in annual savings. A new reserve account was opened with funds that were previously held with CHFA.
      - Falcon Ridge reflects an excess of cash due to the fact that the permanent mortgage was not in place until March. Rental income is over budget, due to little vacancy loss (against the 7% required budgeted vacancy loss on a new property). Operating expenses are over budget due to utilities being higher than anticipated.
      - Peak View rental income under budget. As units vacated, renovations were done leaving units vacant for a while. The EPHA invested \$20,000.00 into Peak View operations and renovations. Utilities are also over budget. (Utilities are paid by us, not the resident at this property.)
      - Pines rental income is on budget, with only 1 vacancy and 6 budgeted. Another vacancy will be forthcoming in the fall.
    - Blackhurst requested a motion to approve 2<sup>nd</sup> quarter financials. Frank moved and Smith seconded. All others voted AYE and the motion passed unanimously.
    - A. Management agreement with LHA: Rita met with Sharlet of LHA regarding 2018 cost (accounting services and compliance of federal financing on behalf of EPHA). This will increase 5% in 2018. This increase will be included in all property budgets.
    - B. Request for Town Funding 2018: As has been the case in previous years, our request for funding for 2018 is being reduced by 20% to \$32,000. Rita is working on property budgets and those will be brought to board meetings in November and December. Additionally, the Town anticipates a 10% increase in Health benefits in the new year. Naomi's time (and salary) as the Housing Supervisor falls under the EPHA budget and Ginger's time and salary will be divided, ½ EPHA and ½ Falcon Ridge. Blackhurst requested a Motion to approve the funding request to the Town of Estes Park. Smith moved and Pinkham seconded. All others voted in favor and the motion was passed unanimously.
- At this point, the board moved to 6B to allow guests to speak.
5. Complex and Development Updates:
    - A. Talons Pointe
      - i. Occupancy and Delinquency: Naomi Hawf reported on both July and August reports. Talons Pointe ended both July and August with no vacancies, although had a small vacancy loss of \$120.00 for July and \$0 for August. Delinquency in July was from 3 residents at a total \$2,346.00 and August, also for 3 residents \$2,760.00.
      - ii. Seal Coating: Went smoothly. The work was completed on schedule, within the quoted amount, and as planned. Residents and staff are pleased with the outcome.

- B. The Pines
  - i. Occupancy & Delinquency: Naomi Hawf reviewed both July and August reports. During the two months the property experienced no vacancies, no vacancy loss nor delinquency. There will be a vacancy forthcoming.
  - ii. Parking Lot Paving: Removal and repaving was scheduled for Thursday, September 14 to Tuesday, September 19. The contractor began removal and on Sunday, September 17, the contractor advised there was quite a bit of moisture in the soil. If asphalt was applied on top of the wet soil, it would be instable and could fail. Staff was on site and was able to view the issue. With a change order of approximately \$8,000.00 - \$10,000.00, the contractor would need to dig approximately 18 inches to determine how much moisture would need to be addressed. The soil was excavated, turned and more material added to solidify the soil. (This follows a \$28,000.00 error in the quote.) The project continued and was completed on Friday, September 22. Residents were patient throughout the process and pleased with the outcome. The total cost has yet to be received.
- C. Cleave Street
  - i. Occupancy and Delinquency: Naomi Hawf shared in July, Cleave had 1 vacant unit with a loss of \$675.00 and zero delinquency. In August, that unit was filled mid-month creating a \$377.00 vacancy loss and 1 delinquency of \$739.00.
- D. Falcon Ridge
  - i. Occupancy and Delinquency: In July there was 1 vacancy with \$650.00 loss. In August there was 1 vacancy with \$888.00 loss. Delinquency in July was \$212.00 by 3 residents, although in August that amount grew to \$2614.00 for the same 3 residents.
- E. Peak View Apartments
  - i. Occupancy and Delinquency: Naomi Hawf stated there were no vacancies for July and August, as well as zero loss and zero delinquency for each month.
  - ii. Development Update: Rita provided an initial Pro Forma with construction costs nearing \$5M, annual expenses approximately \$90,000.00. Dohn estimates costs at \$183.00 a sq. ft. Demolition of the exiting building(s) is approximately \$25,000.00. We will begin to look for financing options.
- 6. Reports, Updates, and Other Miscellaneous Items
  - A. Unit Turnover Report: Naomi Hawf stated in July, Falcon Ridge, Talons Pointe and Cleave each turned one unit. By the close of August these 3 units were filled. Although in August, Falcon Ridge experienced two more turnovers; one was filled by the close of August and one remains vacant. In November we will begin reporting on Lone Tree.
  - B. YMCA: Jeff Feneis LHA, Scott Pope-CFO for YMCA, Courtney Hill-Director of Planning and HR for YMCA attended to discuss a partnership with YMCA. Hill shared that last spring YMCA created a task force to discuss the housing needs of their employees. The task force is bringing a Formal Recommendation to their Board at the end of September to begin negotiations to enter into an agreement with the EPHA for the purpose of building employee housing. They will work with EPHA to begin development for workforce housing on a parcel that the YMCA owns. The YMCA would like to have an agreement finalized by the end of this year. Land survey is pending. The area is 15 acres with possibly 7 development acres. YMCA is hoping to build 48-60 units, with a predetermined number to be available for YMCA employees through a Master Lease and remainder managed by EPHA. The YMCA will maintain ownership of the land. Jeff Feneis-LHA was invited by Rita as the Developer and LHA would work for EPHA as an owner's representative to work through any issues to ensure a quality product. Both YMCA and EPHA see this as a great partnership opportunity. YMCA will share with their Board, LHA's involvement and expertise. YMCA Board will vote on this the 30<sup>th</sup> of September. The Next Steps are to draft an agreement (October) and a market study will be needed.
  - C. Town RFP status: It is slightly behind schedule. The Town has hired an Owner's Representative to assist with the process. Developer interview presentations will be the first week of October. Three developers responded to the RFP, one is out state. Rita will be part of the selection committee. Scope is 61%-150% AMI and is not seasonal housing.

- D. Strategic Planning: Notes of the session were provided, please provide comment to Rita ASAP.
  - E. October meeting: The 2<sup>nd</sup> Wednesday of the month conflicts with Housing NOW conference, Rita suggests the following Wednesday, October 18<sup>th</sup>.
7. Old Business:
- A. Lone Tree Purchase: Closes September 26, and will be financed through the Bank of Colorado. The attorney with Sherman/Howard was able to assist with tax exempt financing. This provided us with an annual interest rate of 3%, a \$20,000.00
    - i. Resolutions: Rita needs approval and signatures of approval from the EPHA Board of Commissioners on two resolutions. 1) Authorize EPHA to acquire Lone Tree Village Apartments. Blackhurst request motion to approve. Pinkham moved and Smith seconded. Motion passed unanimously with one abstention from Frank. 2) Authorize EPHA to manage all aspects and executions of agreements necessary to complete tax exempt financing with the Bank of Colorado to acquire multi-family housing property, Lone Tree Village Apartments. Pinkham moved to approve, Abel seconded. Motion passed unanimously with Frank abstaining.
  - B. Executive Director Search: Blackhurst and Rita will tour with the candidates through the properties this afternoon. Tomorrow the Board will meet at 8:45AM to interview 3 candidates (9:00AM, 10:15AM and 11:30AM). Lunch will follow with discussion and the session should conclude by 1p. This meeting will be posted as a public meeting.
8. Any additional business: none
9. Executive Director Report: Naomi and Rita just returned from attending Colorado Housing Mountain Coalition Conference in Mt. Princeton. Division of Housing also attended and discussed how to enforce section 8 and assist us with being more productive. Naomi is now our Housing Supervisor and Ginger Tackman has been hired (today is her first day) to Manage Falcon Ridge and be EPHA Admin Assistant.
10. Adjourn 1009

Completed and Submitted by Naomi Hawf on 10.09.17